



Rule Up For Discussion

Proposed Amendments to

WAC 230-12-305

Licensee required to submit updated documents or information.

ITEM 12(a) on the April 11, 2003, Commission Meeting Agenda.	Statutory Authority 9.46.070
Who proposed the rule change?	
Staff.	
Why is this rule change needed?	
<p>Currently, loans of \$2,000 or more must be reported to the Commission if they are not obtained from a federally recognized financial institution. This allows staff to source the funds to ensure the monies are clean and persons with ties to criminal activities do not infiltrate gambling operations in Washington State. Staff has requested language be added to require contributions of <i>cash and assets</i> to also be reported to the Commission. This proposed language enables staff to be fully informed on all of the licensee's financing activities and facilitates a more complete financial investigation on all parties involved in the financing of a gambling operation.</p> <p>Currently, a licensee can receive approval from staff for a line of credit (for example, from a financier licensed as a service supplier) from which they can take draws from over a period of time. At times, these draws can occur years after the original funds were investigated and sourced. During this time, the "original" monies that were sourced are gone and other monies are held in the account, which may be drawn on by the licensee. By requiring draws to be reported, staff can track the monies and if necessary, source new funds that have replaced the funds which were originally sourced.</p> <p>\$2,000 is a very low threshold and does not appear to be a material amount to even our smallest licensees. Therefore, it is proposed that the loan/contribution amount be increased from \$2,000 to \$10,000.</p> <p>Housekeeping: Changes are proposed in subsection (3), the introduction, and the last paragraph - which was also numbered as subsection (5). Finally, a header was added to subsection (5).</p>	
Statements against the proposed rule change.	
None at this time.	
Which licensees will be directly impacted?	
All applicants and licensees.	
What are the potential impacts to the agency?	
Minimal.	
Staff recommendation.	
Further discussion.	
Proposed effective date.	
July 1, 2003.	